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## **CITY OF TEMPE REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 3/21/2013  
Agenda Item: 5B3**

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**ACTION:** Award a professional services contract to Arcadis U.S., Inc. to study water and wastewater rates and development fees.

**FISCAL IMPACT:** Total contract amount is not to exceed \$147,990. Sufficient funds for this contract are available in Water Fund operating budget cost center 3002, account no. 6672 and will be transferred to Capital Improvement Fund No. 3203394, 2013 Water & Wastewater Rates and Development Fees Study.

**RECOMMENDATION:** Award professional services contract to Arcadis U.S., Inc.

**BACKGROUND INFORMATION:** The City's Water Utilities Division (WUD) is funded primarily from water and wastewater rate revenue. The City also assesses fees to offset the costs associated with providing water and wastewater services to new developments.

The scope of work for this contract includes a review of WUD's financial status in order to recommend rate adjustments as necessary and to assure WUD's continuing financial viability. Work will also include the development of 10-year water and wastewater financial plans, analysis of customer class cost of service, and design of water and wastewater rates for 2013-14. Development impact fees will also be evaluated based on projected city growth and planned new facilities in order to assure that assessed fees capture appropriate costs and are consistent with the requirements defined by state statute.

Staff has negotiated the fee with Arcadis U.S., Inc. and considers it reasonable for the scope of services. Arcadis U.S., Inc. was selected from our professional services consultant on-call list based on a qualifications based selection process, pursuant to Arizona Revised Statutes § 34-103, which includes evaluation of the firm in each selected discipline based on the following selection criteria and relative weights:

- 30% Overall capability and qualifications of the firm;
- 30% Relevant municipal project experience of the firm;
- 25% Qualifications and experience of the firm's key local staff, and;
- 15% Overall evaluation of the firm and its familiarity of local regulations.

Once the annual professional services on-call lists are established, consultants are utilized throughout the year based on how their expertise relates to our project needs.

**ATTACHMENTS:** Professional Services Contract and Exhibit A.

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